

February 24, 2010

WASHINGTON DC - Rep. Linda Sánchez, Member of the House Ways and Means Committee, introduced a bill today that would bolster the development of low-income housing. The Low-Income Housing Tax Credit Exchange Expansion and Job Creation Act of 2010 would promote the development of low-income housing by allowing investors to exchange otherwise unusable low-income housing tax credits for cash to be put toward the development of this housing.

“The most successful affordable rental housing program in U.S. history has been badly affected by the economic crisis,” said Rep. Linda Sánchez. “This program will help spur investments in affordable housing - which means working families will have an affordable home and developers can provide more jobs.”

The financial crisis has reduced investment in the most successful affordable rental housing production program in U.S. history - the Low-Income Housing Tax Credit (Housing Credit). This program is the primary resource for the development of affordable rental housing nationwide. Since 1986, the Housing Credit has financed 9 out of every 10 of America's apartments for low-income families, providing affordable housing to more than 2 million Americans. In addition, ensuring that this credit can continue to spur growth in affordable housing during this economic downturn will provide thousands of needed jobs in the decimated construction industry.

“Providing a safe and stable home gives families the foundation to find employment, get an education, and play an active role in their communities,” continued Sánchez. “Investing in these credits is an investment in American families and will pay dividends for years to come.”

Just before the financial crisis hit, the Housing Credit program financed about 120,000 apartments each year nationwide. In California, the Housing Credit financed 18,221 affordable rental homes annually. Due to the weakened economy, investor participation is down by more than a third from its peak in 2006.

The Low-Income Housing Tax Credit Exchange Expansion and Job Creation Act of 2010 has the support of a statewide coalition of more than 2,000 nonprofit and local government housing organizations.

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